

**ASSEMBLY BILL**

**No. 2062**

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**Introduced by Assembly Member Davis**

February 23, 2012

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An act to add Section 87500.2 to the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2062, as introduced, Davis. Political Reform Act of 1974: statements of economic interests: electronic filing.

Existing law establishes, until December 31, 2012, a pilot program authorizing specified local government agencies to develop and implement a system for the electronic filing of statements of economic interests by certain public officials, as specified.

This bill would authorize all agencies to permit the electronic filing of a statement of economic interests, in accordance with regulations adopted by the Fair Political Practices Commission. The bill would require the Commission to approve and certify an electronic filing system proposed by an agency if the system meets prescribed requirements. The bill would also authorize the Commission to conduct discretionary audits of an agency's electronic filing system to evaluate its performance and compliance with the requirements of this bill.

The bill would authorize a city or county that developed an electronic filing system pursuant to the pilot program to continue to use that system during the time it takes the Commission to adopt the regulations to govern the electronic filing system program, but would require the city or county to submit a description of its electronic filing system to the

Commission for approval and certification after the Commission's regulations take effect, as specified.

Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

By creating additional crimes, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 87500.2 is added to the Government
- 2 Code, to read:
- 3 87500.2. (a) An agency may permit the electronic filing of a
- 4 statement of economic interests required by Article 2 (commencing
- 5 with Section 87200) or Article 3 (commencing with Section
- 6 87300), including amendments, in accordance with regulations
- 7 adopted by the Commission.
- 8 (b) In consultation with interested agencies, the Commission
- 9 shall use common database integration features in developing
- 10 database design requirements for all electronic filings that may be
- 11 used.
- 12 (c) (1) An agency that intends to permit electronic filing of a
- 13 statement of economic interests shall submit a proposal, which
- 14 shall include a description of the electronic filing system that the
- 15 agency proposes to use, to the Commission for approval and
- 16 certification.

1 (2) The Commission shall review an agency's proposal for  
2 compliance with the system requirement regulations adopted  
3 pursuant to subdivisions (a) and (b) and the requirements of  
4 subdivision (d). If the proposed system complies with these  
5 requirements, the Commission shall approve and certify the  
6 agency's electronic filing system as soon as practicable after  
7 receiving the agency's submitted proposal.

8 (d) An agency's proposed electronic filing system shall meet  
9 the following requirements:

10 (1) A statement of economic interests filed electronically shall  
11 include an electronic transmission that is submitted under penalty  
12 of perjury and that conforms to subdivision (b) of Section 1633.11  
13 of the Civil Code.

14 (2) (A) The agency's filing officer shall issue to a person who  
15 electronically files his or her statement of economic interests or  
16 amendment electronic confirmation that notifies the filer that his  
17 or her statement of economic interests or amendment was received.  
18 The confirmation shall include the date and the time that the  
19 statement of economic interests or amendment was received by  
20 the filing officer and the method by which the filer may view and  
21 print the data received by the filing officer.

22 (B) A copy retained by the filer of a statement of economic  
23 interests or amendment that was electronically filed and the  
24 confirmation issued pursuant to subparagraph (A) that shows that  
25 the filer timely filed his or her statement of economic interests or  
26 amendment shall create a rebuttable presumption that the filer  
27 timely filed his or her statement of economic interests or  
28 amendment.

29 (3) The agency shall utilize an electronic filing system that  
30 includes layered security to ensure data integrity. The system shall  
31 have the capability to uniquely identify a filer electronically when  
32 he or she accesses the electronic filing system. The operational  
33 process for the system shall include industry best practices to  
34 ensure that the security and integrity of the data and information  
35 contained in the statement of economic interests is not jeopardized  
36 or compromised.

37 (4) The agency shall provide the public with a copy of an  
38 official's statement of economic interests upon request, in  
39 accordance with Section 81008. The copy of the electronically  
40 filed statement of economic interests shall be identical to the

1 statement of economic interests published by the Commission and  
2 shall include the date that the statement was filed.

3 (e) The Commission may adopt regulations to require that an  
4 agency redact information on a statement of economic interests  
5 prior to posting the statement of economic interests on the Internet.

6 (f) The Commission may conduct discretionary audits of an  
7 agency's approved and certified electronic filing system to evaluate  
8 its performance and compliance with the requirements of this  
9 section.

10 (g) A city or county that developed an electronic filing system  
11 pursuant to the pilot program established by Section 87500.1 may  
12 continue to use that system for purposes of this section, including,  
13 but not limited to, the time during which the Commission is  
14 adopting the regulations required by this section. However, after  
15 the Commission's regulations take effect, the city or county shall  
16 submit a description of its electronic filing system to the  
17 Commission for approval and certification, within a reasonable  
18 time to be determined by the Commission. A city or county shall  
19 not continue to use an electronic filing system originally developed  
20 for purposes of Section 87500.1 if the Commission does not  
21 approve and certify that electronic filing system as complying with  
22 the requirements of the Commission's regulations and the other  
23 requirements of this section.

24 SEC. 2. No reimbursement is required by this act pursuant to  
25 Section 6 of Article XIII B of the California Constitution because  
26 the only costs that may be incurred by a local agency or school  
27 district will be incurred because this act creates a new crime or  
28 infraction, eliminates a crime or infraction, or changes the penalty  
29 for a crime or infraction, within the meaning of Section 17556 of  
30 the Government Code, or changes the definition of a crime within  
31 the meaning of Section 6 of Article XIII B of the California  
32 Constitution.

33 SEC. 3. The Legislature finds and declares that this bill furthers  
34 the purposes of the Political Reform Act of 1974 within the  
35 meaning of subdivision (a) of Section 81012 of the Government  
36 Code.

37 SEC. 4. This act is an urgency statute necessary for the  
38 immediate preservation of the public peace, health, or safety within  
39 the meaning of Article IV of the Constitution and shall go into  
40 immediate effect. The facts constituting the necessity are:

1     In order to allow the Fair Political Practices Commission time  
2     to develop regulations and procedures critical to the implementation  
3     of a system for the electronic filing of statements of economic  
4     interests prior to the 2013 filing period, which will allow state and  
5     local agencies to achieve significant savings, and to allow the city  
6     and county agencies that participated in the pilot program to  
7     continue using electronic filing while the Commission develops  
8     the necessary regulations in order to preserve the substantial  
9     investment those agencies have already made in developing  
10    electronic filing systems, it is necessary that this act take immediate  
11    effect.

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